

Agenda Item No: -

Report to: Audit Committee

Date of Meeting: 20 September 2012

Report Title: Hastings BC's Corporate Risk Register

Report By: Richard Homewood
Director of Environmental Services

Purpose of Report

To inform the Audit Committee of the Corporate Risks facing Hastings BC and provide assurance that control arrangements are in place

Recommendation(s)

- 1. To accept the report.**

Reasons for Recommendations

As part of the Corporate Risk Management Strategy agreed by Cabinet in July 2009, the Corporate Risk Register is to be reviewed by the Audit Committee each year.

Introduction

Background

1. Details of the methodology and terms commonly used were included in the first report presented at the 27 September 2010 meeting and the process for reviewing the Corporate Risk Register is now embedded. .
2. The Corporate Risks tend to be more significant than Operational ones and so in order to maintain focus, this report is dedicated to the Corporate Risks only. The Operational Risk Registers will be brought to the January 2013 meeting.
3. The Corporate Risk Register is intended to give the Audit Committee and Corporate Management Group a holistic view of the potential threats to the Council and the danger each one represents. The processes involve: -
 - Assessment and monitoring of a risk to the Council
 - The probability of the risk occurring
 - The impact to the Council should it occur
 - The Council's ability to avoid or reduce the impact
 - Whether the costs of preventative action are justified
4. The reason for reviewing these risks in this way is to manage risks that could potentially: -
 - Inhibit the Council's ability to operate effectively or efficiently,
 - Damage the reputation of the Council and/or affect funding opportunities/grants,
 - Put the Council at risk from legal proceedings
5. The main purpose of this report is that the status of all corporate risks is reviewed and changes in the level of perceived risks are monitored.

Main changes to risks in the past year

New risks

6. There has been 1 high new risk for the Council currently still showing on the Corporate Risk Register and 2 new risks to emerge during the year but have now been removed (paragraph 9 refers).
7. The new high risk to emerge concerns extreme weather where all of drought conditions, heavy rain and snow were experienced (appendix A, risk 18 refers). However, robust mitigating response plans are in place for each of these scenarios.

8. To address the potential for there being a drought, a report on water consumption was submitted to CMG on 12 January 2012 by the Head of Amenities, Resorts and Leisure. Consequently, a specialist water conservationist firm (funded by government and a percentage of water bill savings) is minimising the council's water usage. The council officers are also investigating further water conservation measures. The report 'Surface Water Management Plan' containing response plans to risk of flood was submitted to Cabinet on 11 July 2011 and preparations for extreme cold weather were considered in the report 'Severe Weather Response Plan' presented to Cabinet on 8 November 2010.

Removed risks

9. Two risks were removed from the register in the last year and are shown in full at the end of appendix A. The reasons are self explanatory and the risks were:

- * National strike action
- * Fuel delivery drivers' strike

Other changes to risk ratings

10. There has been a downgrading of the risk of disruption to some services whilst the contact centre is being implemented. This is because, as the project progresses towards the final phase, there is increased certainty.
11. There has also been a change to the risk of loss of HBC Highways and On-Street parking agreements to ESCC now that the situation has been formally confirmed. The risk has been seen to increase adversely impacting on both the business and residential communities and particularly difficulties for HBC on event management.
12. There have been a small number of other minor adjustments.

Highest risks to the Council

13. These very highest risks to the Council are those that are of high likelihood and would have a high impact. These are denoted as High2 at appendix A and are:

14.

- High2 Reductions in Government funding
- High2 Changes in Central Government policy and decision making and changes In European Legislation which impact on the Council
- High2 Partnership regeneration programme remain uncompleted or stalled due to a lack of funding and focus.
- High2 Increased economic/social deprivation as a consequence of economic constraints on public spending
- High2 Loss of HBC Highways and On-Street parking agreements to ESCC

15. Potential risks that would have a high impact and medium probability of occurring are denoted by High1 and those that would have a medium impact but high chance of occurring are denoted as High3 at appendix A. Since these are still high potential risks for the Council but not as high as those at High2 above, they are listed here:

- High1 Insufficient capacity / Organisational change whilst maintaining service delivery.
- High1 Loss of key staff / skills / knowledge
- High1 Risk of a successful legal challenge with additional emphasis around the Planning Process which has emerged as more open to challenge.
- High1 Deterioration of the Council's assets
- High1 Ineffective Project Control
- High1 IT Systems/data loss. (IT Systems exposed to some vulnerability. Data loss is better protected through regular frequent back-ups).
- High1 Severe Business Disruption
- High3 Contractual Partnerships: breakdown in contractor performance
- High3 Extreme weather: Drought/Rain/Snow and high winds

16. The mitigating actions to the above risks are monitored monthly and are formally reviewed every quarter.

The detailed Corporate Risk Register can be found at appendix A.

Wards Affected

None

Area(s) Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness No

Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	Yes
Local People's Views	No

Background Information

Hastings BC's Corporate Risk Register - Appendix A

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